

# EXHIBIT B

1 UNITED STATES BANKRUPTCY COURT  
2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 22-10964-mg

4 - - - - - x

5 In the Matter of:

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7 CELSIUS NETWORK LLC,

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9 Debtor.

10 - - - - - x

11 Adv. Case No. 23-01138-mg

12 - - - - - x

13 CELSIUS NETWORK LIMITED,

14 Plaintiff,

15 v.

16 STAKEHOUND SA,

17

18 Defendant.

19 - - - - - x

20 United States Bankruptcy Court

21 One Bowling Green

22 New York, NY 10004

23

24 August 2, 2023

25 11:03 AM

1 B E F O R E :

2 HON MARTIN GLENN

3 U.S. BANKRUPTCY JUDGE

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5 ECRO: KS

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1 Adversary proceeding: 23-01138-mg Celsius Network Limited v.  
2 StakeHound SA Hybrid  
3 HEARING re Plaintiff Celsius Network Limiteds Motion for an  
4 Order Authorizing Alternative Service on Defendant  
5 StakeHound SA Pursuant to Federal Rule of Civil Procedure  
6 4(f)(3). (Doc## 9, 10, 13, 15 to 19)

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25 Transcribed by: Sonya Ledanski Hyde

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1 of the automatic stay. Some letters were exchanged on that  
2 point. The Swiss Arbitration Center said, we're going to  
3 select an arbitrator, and that jurisdictional question will  
4 be for that arbitrator to decide in the future. That  
5 arbitrator hasn't been selected yet. We expect it could  
6 happen any moment. Once the arbitrator is --

7 THE COURT: Tell me what their procedure for  
8 selection of an arbitrator? Does each side get to propose  
9 an arbitrator?

10 MR. HURLEY: So, under the agreement, we had an  
11 opportunity for the parties to try to agree on arbitration -  
12 - on an arbitrator within a set period of time. That period  
13 of time elapsed. So it is now to the Swiss Arbitration  
14 Center to select on their own an arbitrator.

15 Once that arbitrator is selected, Your Honor,  
16 that's when Celsius is going to be faced with this Hobson's  
17 choice of do we participate and risk waiving our rights with  
18 respect to the automatic stay? Or do we ignore it and risk  
19 whatever might happen in Switzerland if we don't attend.  
20 And that, in our view, is precisely why when a stay  
21 violation has been identified, in almost all cases some kind  
22 of injunctive relief follows to say, stop.

23 And again, Your Honor, here, all we're asking for  
24 is the right to serve. They'll have plenty of opportunities  
25 to argue to Your Honor whatever they want about the stay,

1 whatever relief they might seek with respect to the stay.  
2 Right now, all we want is the ability to serve the papers,  
3 so in the event -- and we plan to come back to Your Honor  
4 and seek provisional relief -- we can ask for it on a  
5 schedule where by the time Your Honor it and makes a  
6 decision, it won't be too late, because we had to make that  
7 Hobson's choice with respect to whether you participate or  
8 don't in the arbitration, for example.

9 THE COURT: So does the Swiss Arbitration Center  
10 rules specify a timing? I mean, what are the steps? So  
11 there -- say now the , so there. Say now the Arbitration  
12 Center is to select a single arbitrator --

13 MR. HURLEY: Correct.

14 THE COURT: -- do the Swiss Arbitration Center  
15 rules specify timing for, you know, a deadline for when the  
16 arbitration is to be concluded, briefing, or whatever  
17 submission of evidence? What does the Swiss Arbitration  
18 Center rules provide?

19 MR. HURLEY: So it has detailed rules, of which I  
20 have some familiarity but not encyclopedic, certainly. My  
21 understanding is that once the arbitrator is selected, the  
22 next step would be the arbitrator would contact the parties  
23 and seek to establish a schedule of the kind that you're  
24 describing, seek to get information about --

25 THE COURT: (indiscernible) submits proposed terms

1 irreparable harm for an injunction. That's their position.  
2 That's their legal position. Yours is to the contrary. 1

3 MR. HURLEY: One other fact. After they filed  
4 their demand for arbitration, we sent them a letter and  
5 said, send us back our \$40 million worth of MATIC and DOT.  
6 There wasn't any loss of tokens. There's never -- you know,  
7 that they got this justification they claimed --

8 THE COURT: Did they ever respond --

9 THE COURT: -- that doesn't exist. They never  
10 responded. I've talked to them on multiple occasions.  
11 Nobody has ever offered me a single justification, other  
12 than they're holding it hostage. That's what we're dealing  
13 with in this case is a situation where --

14 THE COURT: The only thing that's holding you  
15 hostage, I'd say, served by The Hague Convention.

16 MR. HURLEY: My concern, Your Honor, is really --  
17 it's for Celsius' customers. I refer to it as Celsius  
18 coins. These are Celsius customers' coins. Ninety --

19 THE COURT: Well, you shouldn't have given them --  
20 you shouldn't have transferred the stuff to them. Look, the  
21 fact --

22 MR. HURLEY: Understood, Your Honor.

23 THE COURT: -- that it's Celsius' customers' coins  
24 doesn't mean that you get to bypass the rules.

25 MR. HURLEY: It doesn't. But we would like an



1 fingertips before.

2 I referenced a case where email service was  
3 allowed in Switzerland. It's William-Sonoma v.  
4 Friendfinder.

5 THE COURT: I'm sorry. Defendant's name?

6 MR. HURLEY: William-Sonoma v. Friendfinder, 2007  
7 WL 1140639. And that's 2007, Judge Jeffrey White. And you  
8 asked who the judge was in the Paushok case.

9 THE COURT: Yes.

10 MR. HURLEY: That was Judge Rakoff. One point I  
11 wanted to make, you asked about StakeHound being allowed to  
12 engage in assorted businesses. StakeHound doesn't have any  
13 business now. They have suspended their platform. They're  
14 not doing anything other than they have this litigation  
15 against Fireblocks in Israel. That's all they're doing.  
16 They don't have any operations.

17 So I just want to make sure I understand what --  
18 where we've arrived here, Your Honor. If I understand  
19 correctly, you're suggesting that the parties should try by  
20 Monday to reach agreement that involves its acceptance of  
21 service.

22 THE COURT: Acceptance of service, scheduling --

23 MR. HURLEY: Freeze of the assets.

24 THE COURT: -- and a motion to compel arbitration.

25 MR. HURLEY: A briefing schedule and a freezing of